State of Indiana

Section 125

Limited Purpose
Flexible Spending Account (FSA)

Employee Enrollment Information Packet

Only For Participants with a Consumer Driven Health Plan (CDHP)
&
Health Savings Account (HSA)

PLAN YEAR: JANUARY 1, 2012 – DECEMBER 31, 2012

Key Benefit Administrators - FlexPro

P.O. Box 55210 Indianapolis, IN 46205
800-558-5553 * 317-284-7150
Fax: 866-241-1488 * 317-284-7269

Information You Will Find in This Packet

The information in this packet will help you decide if this benefit is right for you. A Flexible Benefit Plan for Health Care expenses and Dependent Care expenses can provide you and your family with more take home pay to help with these expenses.

- What is KBA-FlexPro?
- Is A Limited Purpose Flexible Spending Account Right For You?
- Plan Specifics Page
- What Type of Expenses Are Eligible with a Limited Purpose FSA?
- Over-The-Counter Medicine Reimbursement
- Benefits Payment System (BPS) Benefits Card (Flex Card) & Claims Procedure
- How Flex Works and How Much You Can Save
- Flexible Spending Accounts Frequently Asked Questions
- Claim Form
- Spouse/Dependent Debit Card Request Form
- Direct Deposit Form

Your Online Account Has Been Made Easy

Your Flexible Benefit online account has been updated with a number of new features. If you have not already set up your online account, go to www.benefitspaymentsystem.com and set up your account today. Your online account may be used to communicate and submit information to KBA with the following tools:

- Update Your Address
- Update Your Email Address
- Submit Receipts for Flex Card Purchases
- Submit a Request for Claim Reimbursement
- Order a New Flex Card
- Review Pending Claims
- Review Claim Payment Status from Uploaded Claims
- And More…….

Please note: Many of these new features include an event-based notification that will email you once your change is made or a claim is submitted.

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Key Benefit Administrators

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Indianapolis, IN 46205
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Dear State of Indiana Employee:

You are electing to enroll in a Limited Purpose Medical Care Flexible Spending Account (LPF) and a Health Savings Account (HSA) for 2012. The information in this letter is designed to help you understand some key elements of participating in both plans.

If you currently have a regular Medical Care FSA from 2011, or if you will have a Medical Care FSA beginning January 1st, carefully review the information below for details. FSA participation may delay or prevent you from contributing to a HSA.

The State's Plan Year is from January 1st to December 31st with a 2 ½ month Grace Period. The Grace Period extends the current plan year period to incur and submit medical care FSA claims for participants who still have balances in their regular FSA on December 31st. As you know, IRS rules require that you forfeit (lose) the money in the FSA account, if you do not use it by the end of the Grace Period.

If you have funds available to use in your regular Medical Care FSA on December 31st, you may consider the following options to begin contributions to your HSA:

- If no election change is made to retain the balance in your prior year Medical Care FSA, the Medical Care FSA is automatically converted to a Limited Purpose Medical Care FSA during the Grace Period. This allows you to continue incurring and submitting eligible expenses, only under the Limited Purpose Medical Care FSA rules. Eligible FSA expenses would then be limited under this provision. *See the definition of the Limited Purpose Medical Care FSA on Page 4*.

- Delay contributions to your HSA until April 1st and elect to remain in the Medical Care FSA through the Grace Period. This will allow additional time to incur expenses from the prior plan year through the end of the Grace Period. See the definition of the Medical Care FSA on page 5 and eligible expenses under this provision. HSA participation and State contributions may then begin April 1st.

- If you have not already done so, elect a one-time roll-over of your unused/unclaimed Medical Care FSA balance to your HSA at the end of the current FSA Plan Year (December 31st), with the following stipulations:
  - You must roll-over the lesser of your balance in your Medical Care FSA as of December 31 of the current year, OR the balance that was in your account as of September 21, 2006 (The person must have participated in a FSA on September 21, 2006 to qualify.).
  - To roll-over funds from your current Medical Care FSA you will need to complete the Medical Care FSA Roll-Over Election form before December 31. Your HSA must already be established at the time of the transfer.
  - The rollover must be a direct trustee-to-trustee transfer and can only be made once in your life time.
  - The rollover will result in a zero balance available in your Medical Care FSA.

You may participate in the Dependent Care program without any HSA restrictions.

We appreciate your participation in the State of Indiana's Flexible Spending Account offered by Key Benefit Administrators.

Sincerely,

Key Benefit Administrators
FlexPro Customer Care

Plan Definitions

Flexible Benefit Plans under Section 125 of the Internal Revenue Code enables you to pay for certain expenses with pre-tax dollars. Benefits offered by the State of Indiana include:

A. Limited Purpose Medical Care Flexible Spending Account (FSA) – "Limited Purpose Medical Care FSA" coverage is *qualified coverage* for those also participating in a Health Savings Account (HSA).

Reimbursement under the Limited Purpose Medical Care FSA will be limited to:

- **a.** Services or treatments for dental care (excluding premiums)
- **b.** Services or treatments for vision care (excluding premiums)
- **c.** Services for preventive care. Preventive care limited to diagnostic procedures and services or treatments taken to prevent the onset of a disease or condition that is imminently possible. Preventive care does not include services or treatments that treat an existing condition. A diagnosis or letter of medical necessity may be required to consider claim reimbursement.
- **d. Post-Deductible Medical Care Flexible Spending Account (FSA)** - Eligible medical expenses incurred after the "minimum annual HDHP deductible under Code Section 223". The minimum deductible under this plan is conditioned on the Participant's family status (single coverage deductible $1,200 or family coverage deductible $2,400). The employee does not have to satisfy the higher annual deductible under the State's CDHP before the post-deductible health FSA can begin paying additional qualified medical expenses.

B. Medical Care Flexible Spending Account (FSA) – Participation in a Medical Care (FSA) disqualifies you from contributing to a HSA. This is a plan designed to allow employee pre-tax dollars to cover health care costs include medical, dental, vision and hearing expenses that are not paid by insurance and other "out-of-pocket" expenses. *These expenses must be incurred within the plan year plus the grace period.* These expenses may include, but are not limited to: expenses for medical plan co-payments, deductibles, prescriptions, physician visits, chiropractic care, vision, dental/orthodontia care, and eligible over-the-counter items. Expenses must be incurred within the Plan Year and must be "medically necessary" to qualify. Expenses are considered "incurred" when the service is performed not when it is billed or paid. Expenses solely for cosmetic reasons or merely beneficial to one's general health are not eligible expenses. The expenses that qualify are those permitted by Section 213 of the Internal Revenue Code, but only to the extent that the expense is not prohibited by any other code or regulation. The Grace Period for this plan will extend the time that you can incur expense 2 ½ months after the end of the plan year. *If you are enrolled in a HSA, you are not eligible to participate in a regular Medical Care FSA. Your participation in a regular Medical Care FSA prior plan year during the Grace Period disqualifies you from contributing to a HSA until the end of the grace period.*

C. Dependent Care Flexible Spending Account (DCA) — You may participate in the Dependent Care FSA without any HSA restrictions. Dependent Care costs include most dependent care expenses for eligible children and adults. Qualified expenses include fees for adult and childcare centers, pre-school, and before and after school care. To be eligible you and your spouse (if married) must be employed or attend school. Your dependent must be under age 13 or physically and/or mentally incapable of caring for him or herself if older than age 13. At each payroll period, the Employer will credit the Participant's Dependent Care account the amount of the deduction. Reimbursement is limited to the account balance.

Dependent Care expenses for the care of a qualifying individual that are for the purpose of enabling the employee to be gainfully employed are eligible. Dependent Care may not be reimbursed while on Leave of Absence (LOA). *Exception for short, temporary absences.* An absence of no more than 2 consecutive calendar weeks is considered a short, temporary absence. See Dependent Care Flexible Spending Account (FSA) Employee Information Packet for more details.

D. Health Savings Account

Health Savings Account (HSA) is a special type of individual account that "eligible individuals' covered by consumer-driven health plans (CDHP) can establish with a qualified HSA trustee or custodian. It allows eligible individuals to pay for certain eligible medical, dental and vision expenses on a tax-free basis for eligible individuals, their spouses, and/or any eligible tax dependents on a tax-free basis.

E. Grace Period

The Grace Period will extend the time that you can incur expenses up to 2 ½ months. Incurring expenses in a Medical Care FSA during the Grace Period would disqualify HSA contributions until the end of the Grace Period. Incurring expenses in a Limited Purpose Medical Care FSA does not disqualify HSA contributions.

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Limited Purpose Medical Care FSA

Section 125 State of Indiana Plan Specifics

PLAN YEAR:	**01/01/2012 - 12/31/2012**
Plan Options:	**Plan Maximums**
Limited Purpose Medical Care FSA	$ 5,000.00
Participation in the Limited Purpose Medical Care FSA Plan Option by New Hires:	The first day of the month following the date of the election.
Participation After Termination in the Limited Purpose Medical Care FSA Plan Option:	Terminated employees will be allowed 0 days past termination of employment to incur expenses and an additional 30 days to submit expenses.
Claims Submission:	Claims may be submitted daily. Checks are issued after submission and processing with checks or direct deposits occurring on a daily basis.
Orthodontia Services:	At the time services begin, the initial down payment may be reimbursed. The remaining balance may only be reimbursed according to the monthly payment structure outlined in the Orthodontia contract. A copy of the Orthodontic contract needs to be provided to KBA at time of reimbursement
Participation in the Limited Purpose Medical Care FSA by HSA Participant:	Participants in a Consumer-Driven Health Plan enrolling in a Health Savings Account can only participate in the Limited Purpose Medical Care FSA for dental, vision, preventive, and post-deductible expenses. Medical Care FSA's automatically convert to a Limited Purpose Medical Care FSA unless otherwise elected.
Grace Period:	The Grace Period will allow expenses incurred within the first 74 days of this Plan Year to be reimbursed from your previous Plan Year if a balance remains in that account. Claims may be incurred through the end of the Grace Period, March 15th, each plan year and submitted via the claim form no later than 90 days after the end of the Grace Period, June 15th, each plan year.
Claims Submitted After the End Of the Plan Year:	Claims incurred prior to the end of the plan year and subsequent grace period must be submitted no later than 90 days after the expiration of the grace period on June 15th.
Status Change Notification Time Frame:	Status changes must be submitted within 30 days of the Qualifying Event

What Type of Expenses Are Eligible?

Limited Purpose Medical Care FSA Expenses

The following list, while **not intended to be complete**, illustrates expenses that **may** be reimbursed.
(Restrictions apply to the Limited Purpose Medical Care FSA coverage. Most Dental and Vision expense are eligible.
Most eligible medical expenses require the minimum deductible must first be satisfied.)

I. ELIGIBLE DENTAL & VISION EXPENSES

DENTAL EXPENSES
- Routine & Preventive Services
- X-rays
- Orthodontia *(a treatment plan may be required)* (see Plan Specifics page for your Plan's orthodontia guidelines)
- Restorative services, fillings, extractions, dentures

VISION CARE EXPENSES
- Eye exams
- Prescription eyeglasses & sunglasses
- Contact lenses & supplies
- Corrective surgery *(RK & LASIK)*

PREVENTIVE CARE

II. ELIGIBLE POST DEDUCTIBLE EXPENSES

(Only reimbursed after the minimum deductible is met.)

MEDICALLY NECESSARY EQUIPMENT
- Wheelchair, crutches & lifts
- Oxygen equipment & supplies
- Blood pressure monitor

DIABETIC SUPPLIES
- Insulin
- Test strips, lancets, etc.
- Glucose monitor

PHYSICAL EXAMINATIONS
- Annual physical exam *(including prostate screening, pap smears & mammograms*)
- School & work physicals

COUNSELING & PSYCHIATRIC TREATMENT
(Prescribed by a doctor to treat a medical condition.
Statement required from the doctor. *See Marriage/Family Counseling)*
- Psychologists
- Psychotherapists
- Psychiatrists

FEES & SERVICES
- Physicians, surgeons, anesthesiologists, OB/GYN
- Ambulance
- Nursing *(including room & board)*
- Chiropractic service
- Fertility treatment
- Sterilization & reversals
- Medically necessary reconstructive services *(i.e. mastectomy or following an accident)*
- Hospital expenses

HEARING EXPENSES
- Testing
- Hearing aids
- Batteries & repairs

OTHER EXPENSES
- Prosthesis & artificial limbs
- Organ tissue donation expenses
- Tuition at special school for handicapped
- Travel necessary to seek medical treatment *(limitations apply)*
- Orthotics & orthopedic shoes *(medically necessary)*
- Laboratory fees
- Acupuncture
- Alcohol & drug rehabilitation expenses
- Special equipment for those who are deaf and/or blind *(i.e. Braille books, hearing devices, guide dogs)*
- Weight loss programs and drugs *(when prescribed by a doctor to treat obesity and/or a specific medical condition – statement required from the doctor)*
- Medical supplies
- Therapy treatments *(when prescribed by a doctor)*
- Physician-prescribed Over-the-Counter medicines

III. INELIGIBLE EXPENSES

- Cosmetic treatments or surgery *(unless necessary to alleviate a deformity related to a congenital abnormality, trauma, or disfiguring disease)*
- Expenses *(treatments and drugs)* only to improve your general health or well being
- Hair replacement treatments and drugs
- Health club dues
- Long Term Care Insurance
- Marriage & family counseling
- Nutritional supplements/vitamins
- Over the Counter medications (unless prescribed by a physician)
- Teeth whitening, toothbrush
- Vacations
- Vitamins to improve or to preserve general health *(even when prescribed by a doctor)*
- Weight loss programs and drugs to improve or to preserve general health *(even when prescribed by a doctor)*

Benefits Payment Card (BPS) Benefits Card (Flex Card) and Claims Procedures

You may use your Flex Benefits Card for eligible Limited Purpose Medical Care FSA items restricted to dental and vision provider/merchants. (Card limitations will apply to Limited Purpose Medical Care FSA's. – see detail below.)

1. What is the BPS Benefits Card?

The BPS Benefits Card (Flex Card) is a MasterCard offered to enhance your Limited Purpose Flexible Spending Account by providing instant access to your FSA account. The card is designed for use only at qualified providers or merchants that accept MasterCard and offer eligible goods or services for reimbursement under your Limited Purpose Flexible Spending Account. Rather than paying out-of-pocket money for qualified expenses and waiting for reimbursement, your Flex Card transfers funds for qualified expenses directly from your available funds in your Limited Purpose Flexible Spending Account to the provider. As a Limited Purpose Flexible Spending Account participant, a Flex Card will be mailed to your home address.

2. How does the Flex Card work?

The Flex Card is a debit card that allows you to pay for your eligible FSA expenses directly at the point-of-service. The Flex Card is treated like a credit card at a merchant or provider terminal because it does not require a P.I.N. number before processing a transaction. There is no additional line of credit associated with the card, and no credit check will be performed.

3. Over-the-Counter (OTC) Items:

While in a Limited Purpose Medical Care FSA, the Flex Benefits Card is ineligible at Pharmacies, Grocery Stores and retail Discount Stores. For preventive care over- the-counter items, a signed claim form along with receipts and medical documentation/prescription from a physician stating that the item is for preventive care items may be required. Exception: Over-the-counter vision care items may be submitted for reimbursememt without satisfying the minimum deductible.

The cost of Over-The-Counter medicines may not be reimbursed through a Medical FSA, HRA, HSA, unless the medicine is prescribed by a physician. This *does not apply to items that are not medicines, including equipment such as crutches, supplies such asbandages, and diagnostic devices such as blood sugar test kits*. Such items may qualify as medical care if they otherwise meet the definition in §213(d). Code §213(d) defines 'medical care' to include amounts paid "for the diagnosis, cure, mitigation, treatment, or prevention of disease, or for the purpose of affecting any structure or function of the body." Addtionally, the debit card will not work on OTC items that need a prescription from a physician.

4. Certified Grocery Stores, Discount Retail Stores, Mail Order Pharmacies and Retail Pharmacy Merchants and 90% Rule Merchant.

a. Revenue Ruling 2006-69 and 2007-2 requires all Grocery Stores, Discount Retail Stores, Mail Order Pharmacies and Retail Pharmacies to be compliant with an Inventory Information Approval System (IIAS) and be certified as compliant. The implementation of the IIAS will allow expenses that qualifies as eligible purchases outlined in Code Section 213(d) to automatically be approved at the point-of-purchase.

Approved items at the Point-of-Sale By the IIAS Certified Merchant:
- Only Eligible Items are authorized at the point-of-sale against your available account balance in your Flexible Spending Account.
- Purchases automatically approved at the point-of-purchase will not require substantiation.

Note: In the event of an IRS audit, the participant should retain copies of all receipts for their records.

Non-Approved items at the Point-of-Sale By the IIAS Certified Merchant:
- Ineligible items will be denied at the point-of-sale. An alternate method of payment will be required for the purchase. Purchase made with an alternative method of payment may be made at a Non-Certified IIAS Retail Merchant and be reimbursed by Key Benefit Administrators - Flexpro by submitting a completed claim form. See Substantiation Requirements. *Note: Cash register receipts or credit card receipts are ineligible unless the receipt includes the information outlined under the Substantiation Requirements.*

b. A second option for pharmacies and mail order pharmacies is to register as a 90% Rule Merchant. They must register each year. On a store-location-by-store-location, pharmacies and mail order pharmacies with 90% of the store's gross receipts during the prior taxable year consisting of items that qualify as medical expenses may be registered as a 90% Merchant. The regulations would then permit the use of the healthcare benefits card at these merchants. *The participant may still be required to substantiate their purchase for transactions at a registered 90% Rule Merchant.*

We hope this enhancement for healthcare benefits card use will provide additional ease for the participant whom these merchants serve. Again, you must first supply your medical insurance EOB showing the minimum deductible has been met before your Limited Purpose Flexible Spending Account can be converted to a Post-Deductible Medical FSA. If you have additional questions, please contact a Flexpro Customer Care Representative at 800-558-5553.

6. Substantiation Requirements

a. Substantiation Request – In order to confirm the eligibility of all expenses charged to your Flex Card, you may be asked to provide supporting information about your purchase. *KBA-FlexPro* follows the IRS-defined Flexible Spending Account Flex Card audit guidelines.

Although the Flex Card provides direct access to your FSA dollars, it may not eliminate the need for your KBA-FlexPro Administrator to verify the eligibility of the item(s) purchased as requested by the IRS.

The following substantiation criteria may be required.

Substantiation Requirements

Name of Patient
Date of Service or purchase
Name of Provider or Merchant
Type of Service or Supply
Amount of Service or Supply
Copy of prescription for Over-The-Counter medicines

Note: Cash register receipts or credit card receipts are ineligible unless the receipt includes the information outlines under the Substantiation Requirements

IMPORTANT: ***The cost of Over-The-Counter medicines may not be reimbursed with through a Health FSA, HRA, HSA, unless the medicine is prescribed by a physician.***

b. Ineligible Expenses — Should your transaction detail reflect your Flex Card purchase was for ineligible expenses, or if the necessary documentation was not provided to the Plan Administrator in a timely manner, the transaction will be considered 'denied/ineligible' and you must reimburse *KBA-FlexPro* for the amount charged to the Flex Card. Your Flex Card will be temporarily deactivated if reimbursement is not made immediately.

6. When the Minimum Annual Deductible Has Been Met in the CDHP -

Once the minimum annual Consumer Driven Health Plan (CDHP) deductible has been satisfied and the EOB(s) submitted to Key Benefit Administrators providing proof of same, the participant can request to be in a "Post-Deductible Medical Care Flexible Spending Account (FSA)". The minimum deductible under this plan is conditioned on the Participant's family status (single $1,200 or family $2,400 coverage). When the conversion occurs, the participant will be able to use the Flex Benefits Card at IIAS Certified Pharmacies, Grocery Stores and retail Discount Stores, as well as at doctor's offices and hospitals for co-pays and deductibles for eligible medical expenses.

7. Where can I view my Flexible Spending Account history?

Go to **www.benefitspaymentsystem.com**. After following the instructions to 'Create Account,' you will be able to check on your current account balance, request statements on demand, and review your detailed transaction history.

How Much Can Be Saved By Participating?

Is a Limited Purpose Medical Care Flexible Spending Account Right For You?

	YES	NO
Do you have out-of-pocket costs associated with the State's CDHP medical plan? Limited Purpose FSA expenses are beyond the minimum deductible and include preventive care.	☐	☐
Do you have out-of-pocket dental expenses? (i.e. cleanings, fillings, orthodontia, etc.)	☐	☐
Do you have out-of-pocket vision expenses? (i.e. exams, glasses, contact lenses, LASIK, etc.)	☐	☐

If you answered "**YES"** to any of these questions, you can reduce the taxes that you pay by participating in your employer sponsored Flexible Benefits Plan and therefore **increase your take home pay!**

Remember reimbursement under the Limited Purpose Medical Care FSA will be limited to: a) Services or treatments for dental care (excluding premiums); b) Services or treatments for vision care (excluding premiums); c) Services for preventive care. Preventive care limited to diagnostic procedures and services or treatments taken to prevent the onset of a disease or condition that is imminently possible. Preventive care does not include services or treatments that treat an existing condition. A diagnosis or letter of medical necessity may be required to consider claim reimbursement; d.) Post-deductible expenses: eligible medical expense incurred after the "minimum deductible' of the Consumer Driven Health Plan (CDHP) has been satisfied. The minimum deductible under this plan is conditioned on the Participant's family status (single $1,200 or family $2,400 coverage).

I. Dental and Vision Care Expenses:

Dental care	$ _____
Orthodontia	$ _____
Vision Exams	$ _____
Eyeglasses, Contact lenses, solution	$ _____

II. Medical Care Expenses: Post Deductible and Preventive Expense

Prescription drugs	$ _____
Doctor office visits	$ _____
Physical exams	$ _____
Well-baby care	$ _____
Chiropractic care	$ _____
Insulin and related supplies	$ _____
Hearing care	$ _____
Other Medical Expenses	$ _____

Total Annual Medical, Dental, Vision Expenses: $ _____

Multiply by an estimated tax savings of 26% x 26%

Your Estimated Annual Tax Savings: $ _____

More take home money to pay for those eligible expenses.

Key Benefit Administrators - P.O. Box 55210 - Indianapolis, IN 46205 - 800-558-5553 - Fax: 866-241-1488 - Flexpro@keybenefit.com

Limited Purpose Medical Care FSA Frequently Asked Questions

This packet is only a brief overview of benefits that may be eligible under your plan.

Who can participate in the Limited Purpose FSA Plan?

Full-Time employees participating in a Consumer Driven Health Plan (CDHP).

How do I sign up?

Enroll using People Soft self service by Monday following pay period in which you were hired or during open enrollment.

How do I determine how much money to allocate?

Be conservative! Only consider your known expenses. Do not allow for things that might happen. A list of eligible expenses and a worksheet are provided to help you calculate your expenses for the upcoming plan year.

Are there limits?

The maximum annual amount for the Limited Purpose Medical Care FSA is $5,000 per family.

I went to the doctor before the plan year began, but I did not pay the expense until after the plan year started. May I include that expense?

No. Services must be incurred within the plan year. The date of payment does not matter.

Can I change my annual allocation anytime during the Plan Year?

You may change your annual allocation if you experience a qualifying event. Examples of qualifying events are marriage or divorce, death of a spouse or dependent, birth or adoption of a child, and change in your employment or in your spouse's employment. Status changes must be consistent with the status change event and submitted within 30 days of the qualifying event.

What happens if I do not use all of my annual allocation?

The IRS has established a "use it or lose it rule." If you do not use all of your annual allocation, you will forfeit any remaining amount. For example, if you allocate $500 and only submit $450 in expenses, you will lose the $50 (not just the taxes.) So, please be conservative when you determine your annual allocation.

What expenses are eligible under the Flex Plan?

A list of eligible and ineligible expense listed previously. Please pay special attention to the orthodontia claims submission requirements for your Plan which are listed on the Plan Specifics page.

Will my participation in the Flex Plan affect my Social Security?

You will not pay Social Security taxes on the money you contribute to the Flex Plan. Therefore, your future Social Security benefits may be slightly reduced. However, the tax savings you receive from this plan should be more than any reduction in your Social Security benefits.

Over-The-Counter Medicines or Drugs

As of January 1, 2011, *over-the-counter* ***medicines*** *may not be reimbursed* through a FSA, HRA, or HSA, unless the medicine is prescribed by a physician. This *does not apply to items that are not medicines, including equipment such as crutches, supplies such as bandages, and diagnostic devices such as blood sugar test kits*. Such items may qualify as medical care if they otherwise meet the definition in § 213(d). Your Limited Purpose FSA will first need to be converted to a Post-Deductible FSA, after meeting the State's minimum medical plan deductible.

What happens if I terminate my employment?

Termination from employment ends eligibility. Terminated employees will be allowed 0 days past termination of employment to incur expenses and an additional 30 days to submit expenses and no later than June 15th. Also, you may be eligible to continue coverage under the Limited Purpose Medical Care FSA option through federal COBRA regulations.

How do I submit a claim for reimbursement?

Copies of receipts for Limited Purpose Medical Care FSA expenses must be submitted with a signed claim form. The receipts must be independent third party receipts showing the name of the provider, the date of service, the type of service, the amount of the service and the patient's name. If your insurance company covers the expense, please submit the receipt to the insurance company first. You may then forward a copy of the Explanation of Benefits from the insurance company along with the signed claim form to Key Benefit Administrators - FlexPro. Cancelled checks are not eligible as receipts for Limited Purpose Medical Care FSA expenses. The total amount of reimbursement you selected for the Plan Year will be available at all times during the Plan Year, so long as the payroll deductions are current.

Claim forms, including detailed receipts/invoices, may be sent for processing via:
Fax to: (317) 284-7269 or (866) 241-1488
Email to: FlexPro@keybenefit.com
Mail to: Key Benefit Administrators – FlexPro
PO Box 55210
Indianapolis, IN 46205

If you have not already set up your online account, go to www.benefitspaymentsystem.com and set up your account today. Your request for reimbursement may be uploaded to your personal account. Our Claims Administrators will then process your claim(s). Claim forms, including detailed receipts/invoices, may be faxed for processing to (317) 284-7269 or (866) 241-1488 or emailed to flexpro@keybenefit.com.

Will I receive information throughout the year telling me where I stand on my account?

Yes, you will receive periodic reports showing your account activity. You may also access your personal account on line at any time, by setting up your account at: https://www.benefitspaymentsystem.com.

How do I submit expenses, if I have money left from the previous year?

The IRS has a regulation governing Section 125 Flexible Spending Plans. It allows the State to extend the deadline for participants to *incur* claims for their Flex Plan (medical and dependent daycare) after the end of the plan year (12/31), into the new plan year for **74** days. For employees re-enrolling their current plan year forward to the next, the debit card has been adjusted to utilize leftover dollars first from the old plan year. If the participant does not re-enroll, then Paper claims to access the previous year money must be submitted no later than 90 days after the end of the Grace Period; the debit card will not work past December 31st.

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LIMITED PURPOSE FLEXIBLE BENEFIT CLAIM FORM

THIS SIGNED FORM MUST ACCOMPANY EACH GROUP OF RECEIPTS SUBMITTED

Employee Name: _____ ID or SSN Number: _____

Email address: _____ ❑ Please check if new address

Home Address: _____
Number & Street **City** **State** **Zip Code**

Daytime Phone Number: _____ Number of pages: _____

To the best of my knowledge and belief, my statement in this Request for Reimbursement is complete and true. I am claiming reimbursement only for eligible expenses with the date of service incurred by me, my spouse, or my qualified dependent(s) during the applicable plan year. I certify that these expenses have not been reimbursed by any other source, nor will any reimbursement be sought from any other source. By signing and submitting a Dependent Care Reimbursement Request, I am certifying that expenses for which I request reimbursement satisfy all dependent care guidelines. I and my spouse, where applicable, are gainfully employed or a full-time student and not on leave. In accordance with the Flex Benefit Plan, I authorize my Flexible Spending Account(s) to be reduced by the amount requested.

Employee Signature: _____ Date: _____
Signature Required

***IMPORTANT:* Your request for reimbursement may be submitted from your personal online account. This form is not required when you submit your claim from your personal online account. If you have not already set up your online account, go to www.benefitspaymentsystem.com.**

Medical Care Expenses:

Expenses that may be covered by your (or your spouse's) medical, dental or vision plan must first be submitted to the appropriate insurance carrier. The Explanation of Benefits (EOB) you receive from your insurance carrier may then be submitted to Key Benefit Administrators - FlexPro as a qualifying receipt towards your FSA Plan. Medical care receipts must be from an independent third party and must include the Name of the Patient, Name of the Provider, Type and date of Service or Supply provided (Names of Prescriptions are required), and the Amount of the Service or Supply. Receipts for eligible over-the-counter (OTC) drugs or medicines must include the same information but the type of Supply and the Patient's Name may be hand written on the receipt by the participant if necessary. If necessary please add additional pages.

NOTE: Eligible expenses may be restricted for employees in a Limited Medical Care FSA. Eligible OTC expenses are only eligible post-deductible. The minimum deductible for the CDHP must be satisfied. Additional substantiation requirement will apply. As of January 1, 2011, the cost of Over-The-Counter medicines may not be reimbursed through a Health FSA, HRA, HSA, unless the medicine is prescribed by a Physician. Copy of prescription from Physician is required.

❑ **As requested, a letter of medical necessity is included.** ❑ **A letter of medical necessity is on file.**

Name of Patient or Dependent	Date(s) of Service	Name of Provider or Merchant	Type of Service or Supply	Medical Care Charge for each service/supply	Flex Card Purchase Substantiation
			Total		

Dependent Care: Dependent Care receipts must include the Name of the Provider, Dates of Service, Name of the Dependent(s), Fee for Service or you may have your Dependent Care Provider complete and sign below (Original Signature required).

Date(s) of Service: (to & from)_____ Amount to be reimbursed:_____

Dependent(s) Name: _____ Dependent(s) Date of Birth: _____

Dependent Care Provider Name and Tax ID #: _____

Dependent Care Provider Signature: _____ Date: _____

Dependent Care expenses for the care of a qualifying individual that are for the purpose of enabling the employee and the spouse, when applicalbe, to be gainfully employed or a full-time student are eligible. Dependent Care may not be reimbursed while on Leave of Absence (LOA). *Exception for short, temporary absences.* An absence of no more than 2 consecutive calendar weeks is considered a short, temporary absence. A taxpayer who is gainfully employed is not required to allocate expenses during a short, temporary absence from work, such as for vacation or minor illness, provided that the caregiving arrangement requires the taxpayer to pay for care during the absence.

The following reimbursement request rules apply: Medical Care and Dependent Care expenses must be incurred within the appropriate Plan Year. See Plan Specific page for eligibility requirements. Photocopies of receipts are acceptable. Please retain a copy of all receipts for your own records. *Cancelled checks are not acceptable receipts*. This form must be signed and submitted with applicable receipts.

Dependent/Spouse Card Request Form – Limited Purpose FSA

I. Employer Name: **State of Indiana – 580**

Employee Name:_____
(Please Print) FIRST MI LAST

Employee SSN: _____ Employee Email _____

Address: _____

II. Please issue BPS Benefits Card® Flex Card" to the spouse/dependent(s) listed below. I understand that it is my responsibility to maintain all records necessary to substantiate the eligibility of all items/services purchased with the Flex Card by my dependent(s). Must be age 18 or older.

Name: Spouse or Dependent	Social Security Number (REQUIRED)	Date of Birth	Yes, order an additional debit card.	No, do not order an additional debit card.

III. I UNDERSTAND AND AGREE THAT:

I accept responsibility that all Flex Card transactions of my above-listed spouse/dependent(s) are for expenditures incurred within the Plan Year. Each time the Flex Card is presented for payment, the signed receipt will provide evidence that the expense has been incurred and reaffirming that it is a qualified expenditure that has not been reimbursed, nor will any reimbursement be sought from any other source. Upon request, I will immediately submit any required documentation and/or transaction detail. I understand that if the Flex Card is used for purchases other than qualified expenditures, I have violated this Agreement and my obligations under my Employer's Plan. I understand that, upon notification, I must immediately re-pay the expense to the Account and that my Flex Card(s) may be immediately suspended or revoked for such failure to comply.

_____ _____
Employee Signature Date

On-Line Account Access

Online account access is available through www.benefitspaymentsystem.com. Below is an overview of all of online features available to you.

Create Your Account

When you first log in the www.benefitspaymentsystem.com, you will be asked to create your own personal user account following a few simple steps:

- Enter your I.D. (This is usually your SSN to begin set-up, thereafter your own personal I.D.)
- Choose your own secure password
- Enter your secure personal information

Manage Your Account

After you create your account, you have access to all of the following online account management tools.

- Request a reimbursement
- View your account balances
- View your pending claims
- Order a new FlexCard
- Update your personal information, including e-mails, addresses and phone numbers
- Download Forms including a claim form
- And more….

E-Mail Alerts

If you choose, you can provide us with an e-mail address and opt in/opt out of receiving regular communications via e-mail. Many of the e-mails are event based, and will go out to the e-mail address on file in your account upon certain occurrences. For example, we will e-mail you to confirm changes made to you account, such as a new address. We will also e-mail you when claims have been submitted or tell you about your balance at certain times of the plan year. These are just a few of the e-mails that we can send to you, if you choose.

Direct Deposit Authorization Form

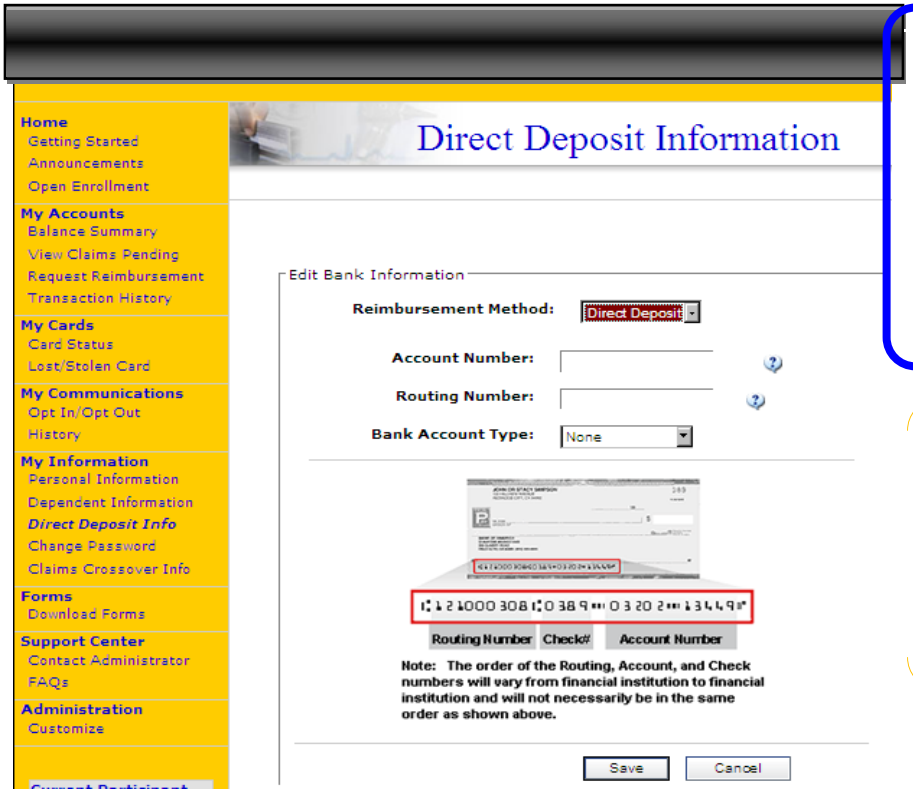
Employer: **State of Indiana - 580**			
Employee Last Name: (Please Print)	Employee First Name	Employee Middle Initial	SSN
Email Address		Daytime Phone Number ( ) -	

TWO WAYS TO CHOOSE TO SIGN UP:

→ **Choice #1:** Log on to: www.benefitspaymentsystem.com

a. Select Direct Deposit under "My Information" on the left side of the screen

b. Follow the instructions to complete your bank information



NOTE: In the event of a bank deposit rejection because the enrollee participant fails to advise KBA of a timely change in the banking account utilized for Direct Deposits, a fee of $30.00 may be assessed.

****SPECIAL NOTE: You may update your direct deposit information online anytime. No need to submit this form if enrolling for the Direct Deposit feature online. Claims processed before the direct deposit is set up will be paid by check**

OR

→ **Choice #2:** Complete, sign and return this form

a. Account Number: _____

b. Bank Account Transit Routing Number: _____
(Use the TRN from your Checking Account, not the number on the Savings Deposit Slip)

c. Indicate Whether - Checking: _____ or Savings: _____

_____ _____
Employee Signature Date

Key Benefit Administrators - P.O. Box 55210 - Indianapolis, IN 46205 - 800-558-5553 - Fax: 866-241-1488 - Flexpro@keybenefit.com